

PROJECT STATUS REPORT

JANUARY 2018 - JUNE 2018

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Promoting a cluster approach for agricultural diversification in Guyana

Project Number: GY-T1131 - Project Num.: ATN/ES-15871-GY

Purpose: The purpose of the project is to facilitate the integration of contract farms into the cluster for non-traditional crops through the development and delivery of key agri-business support services and access to investment capital

Country Admin

GUYANA

Country Beneficiary

GUYANA

Executing Agency:

INSTITUTE FOR PRIVATE ENTERPRISE
DEVELOPMENT

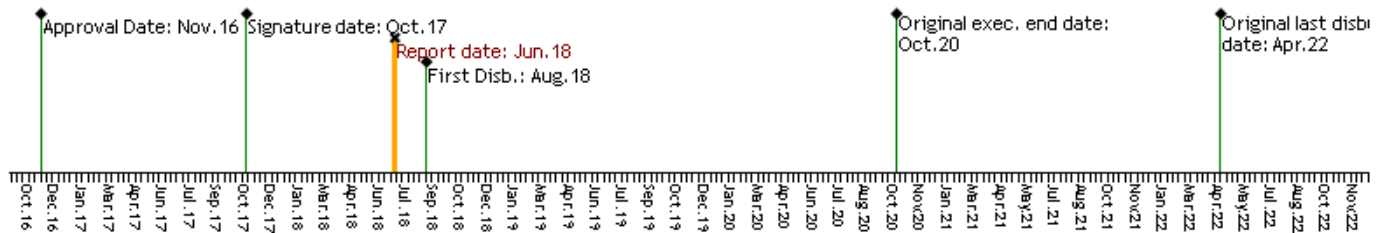
Design Team Leader:

VASHTIE DOOKIESINGH

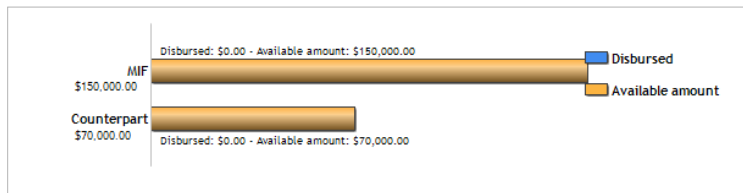
Supervision Team Leader:

VASHTIE DOOKIESINGH

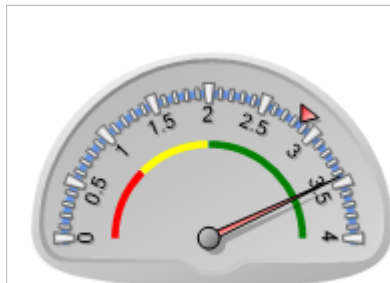
PROJECT CYCLE



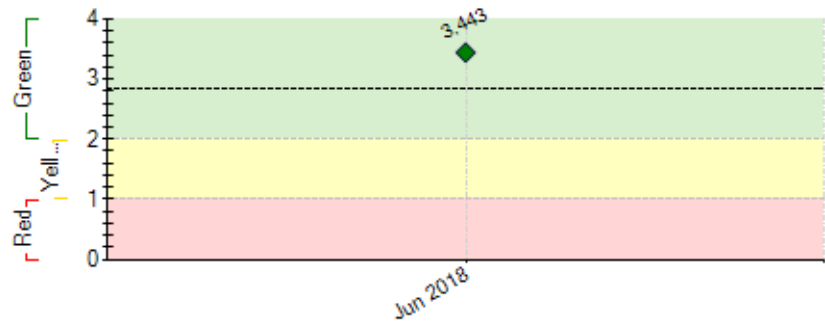
FUNDS (IN USD THOUSANDS)



PERFORMANCE SCORE

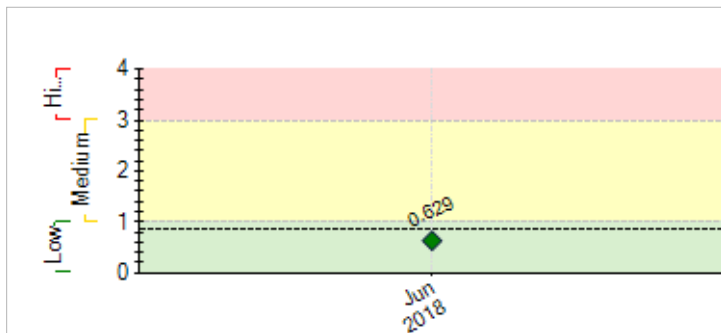


Current score: Satisfactory: 3.443
SEP Average: 2.857



----- SEP performance average

EXTERNAL RISKS



----- SEP risk average: 0.853

INSTITUTIONAL CAPACITY

Risk

Financial Management: Medium

Procurement: Medium

Technical Capacity: Low

SECTION 2: PERFORMANCE

Summary of project performance in the last six months

The project achieved eligibility in July 2018 and IPED has identified a provider to deliver the initial technical consultancy, the rating of IPED. Achieving eligibility of the project took some time as IPED has been involved in a number of parallel initiatives but the organization is ready to initiate activities programmed under the TC.

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

After some initial delays the project has now achieved eligibility and first disbursement has been advanced

SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Goal: The impact objective of the Project is to sustainably increase the sales of contract farms and to provide year-round employment in the cluster for non-traditional agricultural crops.	I.1	Number of net jobs created by firms and farms (CRF 330301)	0	30	70		120	0
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
	I.2	Total value of annual sales to new domestic or export markets by firms and farms (CRF 330600)	0	500000	1400000		2400000	0
			Oct 2017	Oct 2019	Oct 2020		Oct 2021	
Purpose: The purpose of the project is to facilitate the integration of contract farms into the cluster for non-traditional crops through the development and delivery of key agri-business support services and access to investment capital	R.1	Number of new commercial farms established (CRF 230300)	0	8	15		20	0
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
	R.2	Number of firms or farms accessing credit or other financial products (CRF 230500)	0	5	12		20	0
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
	R.3	Number of firms or farms with links to strategic business partners (CRF 230200)	0	8	15		20	0
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
Component 1: Reimbursable financing for contract farms Weight: 25% Classification: Satisfactory	C1.1	Number of active clients of the project	0	5	15		20	
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
	C1.2	Value of gross portfolio of the project (in USD)	0	200000	600000		1000000	
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
	C1.3	Maximum of portfolio at risk 30 days (PAR30) of the project	0	5	5		5	
			Oct 2017	Apr 2019	Oct 2020		Oct 2021	
Component 2: Development of financial products for contract SME farmers which are tailored to their needs and crop cycle Weight: 15% Classification: Satisfactory	C1.4	Value of gross portfolio of IPED	11300000	14500000	16000000		18000000	
			Oct 2017	Oct 2018	Oct 2019		Oct 2020	
	C2.1	Number of financial products designed/adapted to benefit contract farmers linked to CADP	0				1	
			Oct 2017				Oct 2018	
	C2.2	Number of IPED operational staff trained in new financial products and to improve loan administration	0	30			60	
			Oct 2017	Oct 2018			Oct 2019	
Component 3: Strengthening IPED's performance Weight: 36% Classification: Satisfactory	C3.1	Number of microfinance ratings completed for IPED	0	1			3	
			Oct 2017	Oct 2018			Oct 2020	
	C3.2	Exchange field visits performed to gain knowledge on best practices	0	1			2	
			Oct 2017	Oct 2018			Oct 2019	
	C3.3	AML/CFT policies & procedures implemented	0				1	
			Oct 2017				Apr 2019	
Component 4: Exploring new technologies to better serve IPED's clients Weight: 24% Classification: Satisfactory	C4.1	Mobile business services study	0				1	
			Oct 2017				Feb 2020	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status
M1 Conditions Prior	9	Sep 2018	5	Jun 2018	

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Bank efficiency (response delays)

SECTION 4: RISKS

MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Farmers do not adhere to operational	Medium	CADP has done preliminary outreach to identify farmers interested in	CARANA AGRI DEV

protocols and good agricultural practices required by CADP.		the contract farmer program and has prepared a long list of potential beneficiaries. The project will work to identify additional farmers and to screen applicants so that entrepreneurial farmers who understand the model and are committed to farming as a business are selected.	PARTNERSHIP
2. Decline in market price of produce supplied by contract farmers may affect expected level of sales and employment	Medium	CADP's produce mix was selected to include crops with an unsatisfied global demand. To further mitigate this risk, CADP has secured long term contracts with its existing buyers. CADP will proactively look to diversify its customer base as well as product mix based on market opportunities.	Project Guest
3. Contract farmers may not be able to repay loans to IPED	Medium	Contract farmers approved for financing will be carefully screened by both CADP and IPED to determine their capacity to produce and repay the loan. The credit program will be designed to reduce risk through a three-way arrangement where when farmer delivers the harvest, part of the proceeds are automatically deducted by CADP as payment of the loan. There will be careful monitoring of technical assistance by CADP to help farmers meet their production targets.	IPED
4. Not enough qualified candidates for contract farming opportunities	Low	CADP has done preliminary outreach to identify farmers interested in the contract farmer program and has prepared a long list of potential beneficiaries. The project will work to identify additional farmers and to screen applicants so that entrepreneurial farmers who understand the model and are committed to farming as a business are selected.	CADP and IPED
5. Farmers cleared by CADP are unable to access the capital required for investment in new technology.	Low	Contract farmers approved for financing will be carefully screened by both CADP and IPED to determine their capacity to produce and repay the loan. The credit program will be designed to reduce risk through a three-way arrangement where when farmer delivers the harvest, part of the proceeds are automatically deducted by CADP as payment of the loan. There will be careful monitoring of technical assistance by CADP to help farmers meet their production targets.	CADP and IPED
PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 9 IN EFFECT RISKS: 7 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 2			

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: P - Probable

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which have been taken in the reporting period:

As project activities are designed to strengthen and extend delivery of IPED's core services, the project activities and investments are highly sustainable

SECTION 6: PRACTICAL LESSONS

[No lessons learned found]